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STATE AUDITOR



STATE OF VERMONT
OFFICE OF THE STATE AUDITOR

To: House Government Operations and Military Affairs Committee
From: Doug Hoffer, Vermont State Auditor
Date: January 12, 2023
Re: Request to Eliminate Act 164 Report Requirement

Act 164 of 2020, which established the Cannabis Control Board among other things, included a provision requiring the State Auditor's Office to produce a report. The language is below:

Sec. 6d. AUDITOR OF ACCOUNTS REPORT

On or before November 15, 2023, the Auditor of Accounts shall report to the General Assembly regarding the organizational structure and membership of the Cannabis Control Board and whether the structure continues to be the most efficient for carrying out the statutory duties of the Board.

A little more than two years has passed since the provision was enacted, and we want to check in with you prior to undertaking any work on this report to avoid potentially wasting time and resources.

Our primary concern is that there may be little or no interest in the Legislature to eliminate the CCB in favor of tasking a different agency with overseeing the industry. We do not relish the prospect of dedicating significant resources to evaluate the effectiveness of the CCB if there isn't any real appetite to consider eliminating them at this time.

In order to do a proper evaluation, our office would need to begin working on it within the next few months. So our question is pretty straightforward: **do you still want this report to be produced?** If not, we request that you delete the report provision at the soonest possible opportunity. As it relates to our FY23 budget, Budget Adjustment could be the simplest vehicle.

To simplify the discussion, there are three simple options in our view:

1. Eliminate the report requirement. **This is our request**, since the CCB is still getting the system up and running and we don't believe there's currently appetite to change course.
2. Postpone the report deadline two years. This would reflect that the CCB's start up work isn't really done and it's premature to compare them to more established bureaucracies.
3. Leave the report deadline as it is, but craft criteria for judging the current structure, membership, and efficiency of the CCB, and provide direction regarding which agencies the CCB should be judged against. The legislative language above is silent on these pieces, without which we cannot produce a useful report.

Please let us know if we can provide any other information.